

**Notice to Prospective Offerors  
Portsmouth Gaseous Diffusion Plant  
Decontamination and Decommissioning Project Acquisition**

**Department of Energy  
Office of Environmental Management**

The Department of Energy (DOE) Office of Environmental Management (EM) is in the acquisition planning stage for new requirements related to the Portsmouth Gaseous Diffusion Plant (GDP) Decontamination and Decommissioning (D&D) Project. The Portsmouth GDP is transitioning from Cold Shutdown (CSD) to D&D. DOE anticipates award of a Management and Integration (M&I) contract in the summer of 2009.

## **I. OBJECTIVE**

DOE is seeking industry input that it will consider in development of the Request for Proposal. DOE seeks to enhance competition; obtain industry input on specific issues related to the transition from CSD to D&D; brief industry on the D&D technical requirements; and obtain early identification of industry issues/concerns. This information exchange supports market research consistent with Federal Acquisition Regulation (FAR) §10.001 and information exchanges with industry consistent with FAR §15.201. The information exchange will be conducted as a general briefing to industry, site tour, and optional one-on-one meetings using the process described herein. Prospective prime contractors, as well as potential teaming partners and subcontractors, are encouraged to participate. DOE is seeking industry input on ways to optimize small business subcontracting participation in the Portsmouth Gaseous Diffusion Plant D&D project and identify potential future work scope opportunities that could be set-aside for small business.

## **II. GENERAL INFORMATION**

The Portsmouth GDP was constructed by the Atomic Energy Commission (AEC) in the early 1950's for the purpose of enriching the fissionable <sup>235</sup>U isotope of uranium from natural uranium to various product concentrations. The Portsmouth site (map shown below) is a 3,714-acre federal reservation in south-central Ohio, one mile east of U.S. Route 23 in rural Pike County. The site is located approximately 75 miles south of Columbus, Ohio and 22 miles north of Portsmouth, Ohio. The nearest residential center is the village of Piketon (approximately 1,800 population), approximately five miles northwest of the facility on U.S. Route 23.

The facility was originally constructed and operated as a uranium enrichment plant to supply both highly enriched uranium (HEU) and low enriched uranium (LEU) for defense purposes and commercial nuclear fuel sales. After 1991, Portsmouth produced only LEU for commercial power plants. The 1992 Energy Policy Act (1992 EPACT) initiated a process to privatize DOE's uranium enrichment enterprises. The United States

Enrichment Corporation (USEC) was established to operate both the Portsmouth, Ohio and Paducah, Kentucky GDPs. This legislation assigned DOE with the D&D and remediation responsibilities and created the Uranium Enrichment D&D fund (D&D Fund) to pay for the required D&D effort. The D&D fund is financed by DOE appropriations and assessments on nuclear utilities that had historically purchased enrichment services from DOE. The Uranium Enrichment Decontamination and Decommissioning Fund 2007 Report to Congress highlights progress to date.

The 1992 EPACT also stated that the Portsmouth GDP were to be leased to USEC. The terms and conditions of the subsequent arrangement are contained in the lease agreement between DOE and USEC, dated July 1, 1993. The 1992 EPACT required that operations of the enrichment process be regulated by the NRC, which issued certificates of compliance to USEC for both plants in November of 1996. In March of 1997, regulatory oversight for nuclear safety, safeguards, and security for the leased portions of both enrichment plants officially transferred from DOE to NRC with the following exceptions:

1. DOE retained regulatory oversight over personnel security and arming and arrest authority of the protective force; and
2. DOE retained regulatory oversight of USEC activities involving accessible uranium enriched to 10% or more.

In May of 2000, USEC announced that GDP enrichment operations at Portsmouth would cease in 2001. DOE determined that the GDP should be maintained in a status that would allow a cost-effective resumption of enrichment operations within 18 to 24 months. This decision was made to provide the United States with a strategic hedge in the event of a disruption in the international enriched uranium market. DOE contracted with USEC to maintain this capability under the Cold Standby (CSB) Program. Since then, the international market for enriched uranium has remained stable. Consequently, the Under Secretary of Energy approved the decision to terminate CSB effective September 30, 2005. Beginning October 1, 2005, the facilities were put in Cold Shutdown (CSD) in preparation for D&D.

The DOE EM mission at Portsmouth includes waste management, depleted uranium conversion, D&D and remediation. EM is also responsible for the supporting site-wide infrastructure, which is shared with the planned uranium enrichment activities of the USEC's American Centrifuge Plant (ACP). USEC is a private company that leases uranium enrichment facilities at Portsmouth from DOE. In general, the environmental cleanup mission is focused on the original GDP facilities on the eastern side of the site while the new enrichment mission is utilizing the DOE centrifuge buildings that were constructed in the 1980's on the southwest corner of the site. The DOE mission is performed under DOE regulatory requirements and the USEC enrichment operations are regulated by the Nuclear Regulatory Commission and the Occupational Safety and Health Administration.

## **A. Current Contracts and Agreements at the Portsmouth Site**

- USEC: Contract for CSD services of the leased Portsmouth GDP facilities, which ends in September 2008.
- USEC: Memorandum of Understanding to decontaminate un-usable uranium feedstock to remove Technetium-99, which ends in December 2008.
- USEC: Lease Agreement with DOE for the use of the Portsmouth site facilities for the purpose of uranium enrichment and site-wide services, including Protective Force Services; Nuclear Materials Control and Accountability, Fire and Emergency Management; Utilities, Criticality Accident Alarm System, Telecommunications, Nondestructive Analysis Measurements, and Records Management. DOE is in discussions with USEC regarding the transition of facilities and services that are not needed for future gas centrifuge enrichment operations.
- LATA/Parallax Portsmouth (LPP) Contract Number DE-AC24-05OH20192: cost-plus incentive-fee contract for performance of environmental management activities including remedial actions on environmental media [e.g., soils, groundwater, and landfills], and disposal of the remaining legacy waste. The remediation contract also includes the completion of the highly enriched uranium (HEU) program through a multi-party agreement with Nuclear Fuels Services to perform recovery and disposal actions on the currently stored HEU material. In addition, clean-up activities include 14 excess, non-leased facilities for D&D and disposal. The completion date of the contract is September 30, 2009.
- Theta/Pro2Serve Management Company (TPMC) Contract Number DE-AC24-05OH20193: cost-plus award-fee contract for supporting facility surveillance and maintenance (S&M), site security, road and grounds maintenance, janitorial services, information technology, real and personal property inventory and disposition, litigation support, environmental safety and health, pollution prevention services, and sanitary waste disposition, as well as, operation of the alternative heating boiler system for DOE facilities not leased by USEC. The completion date of the contract is March 15, 2010.

## **B. Proposed New Requirement D&D Project Scope**

The anticipated major work areas for the proposed D&D M&I acquisition are:

- Surveillance and maintenance of the Portsmouth GDP facilities, including infrastructure support within a five-foot line of the facilities
- Site-wide remediation
- D&D of Portsmouth GDP facilities
- Waste management and disposition/disposal
- Nuclear material management and disposition
- Supporting regulatory compliance

- Integrated Safety Management System (ISMS)
- Safeguards and security
- Emergency management

The proposed M&I scope of work includes Portsmouth GDP facilities currently under DOE control, as well as facilities currently leased to USEC under the Lease Agreement, which DOE anticipates will be turned-over to the Department in the near-term.

### III. INDUSTRY EXCHANGE

An Industry Briefing with optional one-on-one exchanges is scheduled for March 25-26, 2008. A specific time and location will be posted on the EMCBC official Portsmouth Acquisition website, located at [www.emcbc.doe.gov/pppo\\_main\\_site](http://www.emcbc.doe.gov/pppo_main_site). Interested companies shall submit a list of attendee(s) via e-mail to [kimberly.tate@emcbc.doe.gov](mailto:kimberly.tate@emcbc.doe.gov), no later than February 29, 2008 indicating which sessions the company representatives plan to attend (e.g. Industry Briefing, Portsmouth Site Tour, and One-on-One Exchange Meeting). In addition, please indicate the number of representatives that plan to attend and a single point for future correspondence.

The DOE has identified specific questions to stimulate the one-on-one discussions. DOE will thoughtfully consider all input, will not attribute the input DOE receives to any one participant, and will protect any business sensitive information provided to DOE in this Information Exchange.

Questions and comments from the Industry Exchange during the requirements briefing, tour, or one-on-ones should be sent to [kimberly.tate@emcbc.doe.gov](mailto:kimberly.tate@emcbc.doe.gov) no later than 10 calendar days after Industry Day or individual one-on-one meetings, whichever is later.

### IV. DISCUSSION QUESTIONS

a. **Transition:** What length of transition does industry believe is needed for a project of this magnitude with a significant workforce that would likely be transitioned? E.g. 30, 60, 90 days? What information does industry either require or desire from DOE to develop a transition plan in response to the Request for Proposal?

b. **Competition and Contractor Proposal Preparation:** DOE anticipates a certain confirmed group of Portsmouth GDP facilities will be turned over from USEC before the M&I contract is awarded. Additional work scope may be added during either the base contract period or potential option(s) period of performance, as additional facilities and services transition from USEC. What information can DOE make available to assist industry in the preparation of cost and technical proposals? What information can DOE provide to improve realistic contract pricing and enhance competition?

c. **Regulatory Framework:** What are your views on how to proceed with the D&D project and sequence the work considering the current Consent Decree under the Resource Conservation and Recovery Act and the Department's policy to perform D&D

under the Comprehensive Environmental Response, Compensation, and Liability Act? (This topic is currently under discussion between the Department and the regulatory agencies.)

d. **Performance Risk:** How can DOE improve its identification and quantification of performance risk, i.e., technical, regulatory, schedule and/or financial risk? What are your views to quantify risk for activities that may have limited information and/or regulatory basis? What are your views regarding how to appropriately identify, allocate, and balance risk between the DOE and the contractor? What are your views to mitigate the negative impact of variable funding? Industry opinions on appropriate methods of evaluating contingency are solicited.

e. **Small Business:** DOE anticipates future scope of work carve outs once the breadth of facilities and services are turned over from USEC. What target areas should DOE and the M&I contractor consider for either direct buys or subcontracts under the M&I prime contract? What strategies can be employed to maximize small business participation?

f. **Safety:** What are your views on transitioning from Nuclear Regulatory Commission oversight to DOE (10 CFR 830) nuclear safety oversight? What are your views on transitioning from OSHA to 10 CFR 851 Industrial Safety? What measures of safety performance will be most meaningful to evaluate for award (Section L and M of the RFP) and during execution of the contract (Performance Incentives, Award Fee Plan)?

g. **Human Capital:** What is your view in how to best incentivize and reward contractors who recruit, deliver and retain top talent to remote locations? What are your views on workforce retraining?

h. **Enterprise-wide Services:** What are your views on one central contractor providing enterprise-wide services such as IT, telecommunications, laundry, and medical versus each individual contractor self-performing? What are the benefits and disadvantages?

i. **Projectization:** The DOE is planning to projectize the D&D project into smaller more definable work scope. (E.g. D&D of each of the large process buildings). How could the D&D project and EM requirements at Portsmouth be further projectized into smaller more definable scope of work elements? How can DOE projectize the Portsmouth D&D effort to optimize fixed price contracts and subcontract arrangements?

j. **Integration:** What is your perspective for work on a site with multiple missions, multiple tenants, and multiple regulatory regimes? What are the key integration challenges and what approaches could be employed to address these challenges? What strategies would you recommend to provide a safe and successful work environment for the different entities?

#### **IV. POINT OF CONTACT**

All communication related to the Industry Exchange should be addressed to Kimberly Tate, Contracting Officer, 513-246-0066, kimberly.tate@emcbc.doe.gov.

This notice does not constitute a request for a formal proposal, nor should it be construed as a commitment by the Government. The Government will not pay any costs related to or incurred in participating in this Industry Exchange.